

DECLARATION OF DR. ROBERT NAMBA

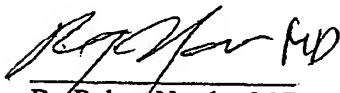
I, Robert Namba, declare and state as follows:

1. I am an MD specializing in orthopaedic surgery practicing at Kaiser Foundation Hospital in Anaheim, California.
2. I am the inventor of the EuTrochar, the subject matter of U.S. Application Serial No. 09/697,463 filed October 26, 2000 (O/R: SDEV-1-1001) which issued on September 2, 2003 as U.S. Patent No. 6,613,039.
3. On May 17, 2002, I entered a joint development agreement with co-inventor Dr. Joseph J. Spranza III, of Special Devices, Inc. to develop and manufacture new embodiments of EuTrochar. Mr. Spranza and I sought patent protection to the further embodiments of the EuTrochar by filing patents as co-inventors. Mr. Spranza was in charge of the fabrication of prototypes and manufacture of embodiments of the EuTrochar as well as filing for patent protection on these new improvements to the invention. Mr. Spranza dealt with all correspondence with the U.S.P.T.O. Attached hereto as Exhibit A is a true and correct copy of the Contract of May 17, 2002, between myself and co-inventor Joseph J. Spranza. The Contract of June 24, 2003, executed by myself and Mr. Spranza also memorializes the prior May 17, 2002 agreement between myself and Mr. Spranza.
4. In January 2009, I spoke with Mrs. Susan Spranza regarding the status of the patent applications her husband and I had submitted to the U.S.P.T.O. prior to his death. She told me that she had contacted Intellectual Property law firm Black Lowe & Graham, PLLC, to assist with reviving and prosecuting the Applications filed on the EuTrocar. Afterwards, I spoke with attorney Wendy Gombert from Black Lowe & Graham, and was sent a form to execute to grant Black Lowe & Graham the Power of Attorney. A true and

correct copy of the Executed Power of Attorney of February 2, 2009 is attached as Exhibit L.

I further declare that all statements that I have made of my knowledge are true, and that all statements made on information and belief are believed to be true. I understand that the making of willfully false statements and the like is punishable by fine or imprisonment under 18 U.S.C. § 1001 and may jeopardize the validity of the application or any patent issuing thereon.

3/12/09
Date


Dr. Robert Namba, M.D.

Enclosures:

Exhibit A - A true and correct copy of the Contract of May 17, 2002 between Robert Namba and co-inventor Joeseeph J. Spranza.

Exhibit L - A true and correct copy of the Power of Attorney signed by Dr. Robert Namba on February 2, 2009.

EXHIBIT A

SPECIAL DEVICES INCORPORATED
PROPRIETARY INFORMATION AGREEMENT

This Agreement is made and entered into as of this 17 May day of 2002, ~~1999~~, between Special Devices Incorporated, a Nevada Corporation with offices at 12493 Old Rough and Ready Hwy, Grass Valley, California 95945, (hereinafter referred to as "SDI") and Robert Nante a _____ (hereinafter referred to as "____") for the purposes of protecting patent and proprietary rights of the parties.

WHEREAS, both parties, for their mutual benefit desire that certain information be disclosed to each other pertinent to marketing, sale, and manufacture of certain medical and related instruments including but not limited to those listed in Appendix A:

NOW, THEREFORE, both SDI and _____ agree that any information received by one party from the other, including any information exchanged on or after _____, 199 , shall be governed by the following terms and conditions:

1. In pursuing the aforementioned objective, certain proprietary or company confidential information (hereinafter collectively referred to as "Proprietary Information") within the scope of information listed in Appendix A may be exchanged between _____ and SDI. It is agreed that each party shall clearly identify such Proprietary information when furnishing it to the other party by marking it clearly with words "Proprietary Information" or "Private Data" or equivalent marking in a conspicuous place (e.g., cover face, table of contents, top of page, etc.) Any information not marked as provided above shall not be considered Proprietary Information and shall not be restricted by either party as to the other party's use thereof. Both parties agree that any "Proprietary Information" shall be in writing or if disclosed orally, confirmed in writing within thirty (30) days of such initial disclosure.
2. "Proprietary Information" is defined as information (either written or oral provided it is promptly reduced to writing as set forth in Paragraph 1. above) originated by or peculiarly within the knowledge of the disclosing party, which is not generally available to others and is declared in writing by the disclosing party to be considered Proprietary Information.
3. Each party shall take reasonable precautions to prevent disclosure of Proprietary Information to any person, firm or organization, other than responsible employees with a bona fide need to know. Each party

agrees to instruct all such employees not to disclose to third parties the Proprietary Information received under this Agreement without the prior written permission of the party disclosing such Proprietary Information. Proprietary Information which is exchanged may only be used by the receiving party for the purpose for which it was disclosed. Except as limited below, the obligations and restrictions imposed in this paragraph will survive for a period of three years from the date received.

4. The obligations and restrictions imposed by the preceding paragraph are limited as follows:

A. Neither party shall be liable for disclosure or use of Proprietary Information as provided above which:

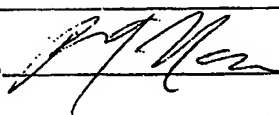
1. was at the time of receipt otherwise known to the party receiving it;
2. has been published or is otherwise within the public knowledge or is generally known to the public at the time of disclosure to the receiving party;
3. which can be demonstrated to have been derived by the receiving party independently of such disclosure;
4. becomes known or available to the receiving party from a source other than the disclosing party, including the Government and without breach of this agreement by the recipient.
5. becomes part of the public domain without breach of this Agreement by the recipient;
6. is disclosed with the written approval of the parties:


B. Neither party shall be liable for the inadvertent or accidental disclosure of Proprietary Information if such disclosure occurs despite the exercise of the same degree of care as such party normally takes to preserve and safeguard its Proprietary Information.

5. Upon the written request of either party, the other party shall return to the disclosing party all documents, materials, drawings, plans, printouts, or other tangible items representing the disclosing party's Proprietary Information and all copies thereof.
6. This Agreement shall continue in force for an initial period of one (1) year from the date first set forth above and for additional periods of like duration, unless ninety (90) days or more prior to the termination of any such period one party informs the other of its desire to terminate this Agreement; however, the parties' obligations

with respect to Proprietary Information received from the other party prior to the termination shall continue for a period of three (3) years from the date such Proprietary Information is received, pursuant to Paragraph 3 hereof.

7. No rights or obligations other than those expressly recited herein are to be implied from this Agreement. In particular, no rights, by license or otherwise, are hereby granted, directly or indirectly, with respect to any Proprietary Information, patent or copyright now held by or which may be obtained by the other party.
8. This Agreement shall be interpreted and governed in all respects by the laws of the State of California, which shall be deemed to be the place this Agreement was made.

By, 
Title: _____

Special Devices Incorporated (SDI)
By, 
Title: _____

APPENDIX A

1

Contract between Robert S. Namba of Corona Del Mar, CA and Joseph J. Spranza, Grass Valley, CA.

Because it is desired by Robert S. Namba and Joseph J. Spranza to co-develop, patent and sell hardware for use in surgery, both parties agree to work together as partners.

Robert Namba had a concept for a "safe guide" for surgery. He filed a patent application on October 26, 2000 for such a concept. He paid for professional help in preparing the patent application and paid the filing fees. The patent application is Serial Number 09/697,463.

Joseph Spranza is the CEO of Special Devices Incorporated (SDI), a company actively involved in the development, manufacturing and sales of unique surgery hardware.

On May 17, 2002, Spranza and Namba made an agreement to pursue a development of hardware based upon the Namba concept for a "safe guide". Spranza and Namba agreed:

1. Spranza would develop hardware for a "safe guide", (the Namba concept) at the expense of Spranza and SDI.
2. Namba agreed that he and Spranza would be partners in co-filing, as jointly named inventors, a patent for hardware based upon the Namba concept for a "safe guide" and upon developments by Spranza for such an invention.
3. Spranza agreed to file and pay for the patent(s) resulting from the Namba/Spranza joint effort, but not including cost of the Namba filing of October 26, 2000.
4. Spranza would manufacture any resulting products and sell them directly to end users.
5. Spranza would pay a royalty of 9% to Namba for exclusive rights to the concept, where such royalties may be, at Spranza's election, paid in the form of stock in SDI until the development costs are recovered by SDI.

Namba provided Spranza with a copy of the Patent Application S/N 09/697,463. Namba further informed James Hill of Knobbe Martens Olson and Bear LLP (patent attorneys of record) that Spranza was to have access to the patent application and office actions and further that James Hill could speak with Spranza openly about the patent application.

Spranza developed hardware and showed such hardware to Namba on several occasions. Namba has read, understood and signed Spranza's laboratory notebook. Namba liked the hardware and said so. The hardware was unique and patentable in Spranza's mind.

Recently, Namba informed Spranza that the Patent and Trademark Office had issued a "Notice of Allowance" for several claims on the patent application. Spranza called James Hill and was told that the date for response to the latest office action is due 7 July, 2003, and this must include filing a CIP and a Divisional patent application if the original filing date is to be retained.

As part of this Contract, there is a Joint Owner's Agreement, on Page 2 of this Agreement.

Joint Owners' Agreement

This agreement is made by and between the following parties, who, by separate assignment or as joint applicants, own the following respective shares of the invention, patent application or patent identified below.

Robert Namba of Corona Del Mar, CA, 92625 50%

Joseph J. Spranza of Grass Valley, CA, 95945 50%

Invention Title: Safety Guide for Surgical Placement of Sharp Instruments

Patent Application Serial Number: 09/697,463 Filed: October 26, 2000

Applicant: Robert S. Namba

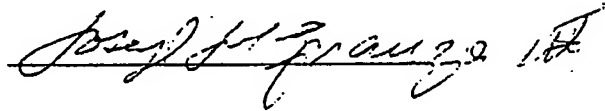
The parties desire to stipulate the terms under which they will exploit this invention and patent application and therefore agree as follows:

1. No action without everyone's consent: None of the parties to this agreement shall license, use, make or sell the invention or application, or take any other action other than normal prosecution, without the written consent and cooperation of the other party to this agreement, except as provided below. Any action so taken shall be committed to a writing signed by both parties, with copies to the other party.
2. Decisions: In case any decision must be made in connection with the invention or the patent application, including foreign filing, appealing from an adverse decision in the Patent and Trademark Office, or any opportunity to license, sell, make, or use the invention or application, the parties shall consult on such opportunity and a majority decision shall control. In the event the parties are equally divided, the matter shall be decided in accordance with Paragraph 5 below. After a decision is so made, all parties shall abide by the decision and shall cooperate fully by whatever means are necessary to implement and give full force to such decision. However, if an offer is involved and there is time for any parties to obtain a better or different offer, they shall be entitled to do so and the decision shall be postponed for up to one month to allow such other parties to act.
3. Proportionate Sharing: Robert Namba will receive all of the Royalties from SDI as stipulated above, from this agreement. Any further License Agreements entered into by this Partnership will be shared proportionally by ownership as presented in Paragraph 4.
4. If Any Parties Desire to Manufacture, Etc; Namba and Spranza agree to execute a License Agreement with SDI to manufacture, distribute, or sell any products or service embodying the above invention. A 9% royalty shall be paid by SDI for the term of the above patent application and any patent which may issue thereon. A copy of the License Agreements with SDI is a part of this agreement. If further License Agreements are

executed the parties agree to negotiate any royalties with Licensee. Such royalty shall be distributed to all of the parties hereto according to their proportionate shares and on a quarterly basis, accompanied by a written royalty report and sent within one month after the close of each calendar quarter.

5. **In Case of Dispute:** In case any dispute, disagreement, or need for any decision arises out of this agreement or in connection with the invention or patent application, and the parties can not settle the matter or come to a decision in accordance with Paragraph 2, above, the parties shall first confer as much as necessary to settle the disagreement, all parties shall act and compromise to at least the degree a reasonable person would act. If the parties can not settle their differences or come to a decision on their own, they shall submit the dispute or matter to mediation and decision by an impartial third party or professional mediator agreed to by all of the parties. If the parties can not agree on a mediator, or can not come to an agreement after mediation, then they shall submit the matter to binding arbitration with a mutually acceptable arbitrator or the American Arbitration Association. The arbitrators shall settle the dispute in whatever manner he or she feels will do substantial justice, recognizing the rights of all parties and commercial realities of the marketplace. The parties shall abide by the terms of the arbitrators' decision and shall cooperate fully and do any acts necessary to implement such decision. The costs of the arbitrator shall be advance by all of the parties or in accordance with Part 3 above and the arbitrator may make any allocation of arbitration costs he of she feels is reasonable.
6. **Non-Frustration:** No party to this Agreement shall commit any act or take any action which frustrates or hampers the rights of another party under this Agreement. Each party shall act in good faith and engage in fair dealing when taking any action under or related to this Agreement.





Date: 6-24-03

6/20/03

Assignment of Invention and Patent Application

For value received, Robert S. Namba of Corona Del Mar, CA 92625 (hereinafter ASSIGNOR) hereby sells, assigns, transfers, and sets over unto Robert S. Namba and Joseph J. Spranza respectively of Corona Del Mar and Grass Valley, CA and their successors or assigns (hereinafter ASSIGNEE) 100% of the following:

(A) ASSIGNOR'S right, title and interest in and to the invention entitled "Safety Guide for Surgical Placement of Sharp Instruments" invented by ASSIGNOR;

(B) the application for United States patent therefor, signed by ASSIGNOR on October 26, 2000, U.S. Patent and Trademark Office Serial Number 09/697,463 filed: October 26, 2000:

(C) any patent or reissues of any patent that may be granted thereon: and

(D) any applications which are continuations, continuations-in-part, substitutes, or divisions of said application.

ASSIGNOR also authorizes and requests the Assistant Commissioner for Patents to issue any resulting patent(s) as follows: 100% to ASSIGNEE.

ASSIGNOR hereby further sells, assigns, transfers, and sets over unto ASSIGNEE, the above percentage of ASSIGNORS entire right, title and interest in and to said invention in each and every country foreign to the United States; and ASSIGNOR further conveys to ASSIGNEE the above percentage of all priority rights resulting from the above-identified application for United States patent. ASSIGNOR agrees to execute all papers, give any required testimony and perform other lawful acts, at ASSIGNEE'S expense, as ASSIGNEE may require to enable ASSIGNEE to perfect ASSIGNEE'S interest in any resulting patent of the United States and countries foreign thereto, and to acquire, hold, enforce, convey and uphold the validity of said patent and reissues and extensions thereof, and ASSIGNEE'S interest therein. In testimony whereof ASSIGNOR has hereunto set its hand and seal to the date below.

State: Calif.

County: Orange

Subscribed and sworn to before me June 24, 2003



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Orange

SS.

On June 30, 2003 before me, Anne C. Mattison

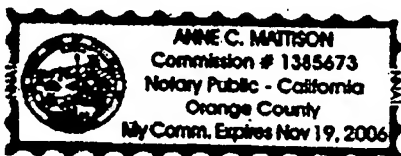
personally appeared Robert Martin

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

Name(s) of Signer(s)

☐ personally known to me

☒ proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies); and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Anne C. Mattison
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Assignment of Invention Patent App

Document Date: June 24, 2003 Number of Pages: 1

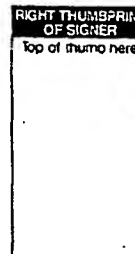
Signer(s) Other Than Named Above: none

Capacity(ies) Claimed by Signer

Signer's Name: _____

- ☐ Individual
- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer Is Representing: _____



June 16, 2003

To The Board of Directors
Special Devices, Inc.

It is the intention of Joseph Spranza to form a partnership with Robert S. Namba, MD for the purposes of completing the patent prosecution of a safe sharp. I present below the history of the development, and the rationale for the partnership.


Robert Namba had a concept for a safe guide for surgery. He filed a patent application in October 26, 2000 for such a concept. He paid for professional help in preparing the patent application and paid the filing fees. Namba approached Joseph Spranza in February 2001, as Spranza was representing Special Devices Inc. (SDI) at a professional meeting. At that time, Namba asked if Spranza and SDI would be interested in developing hardware for a marketable product. No agreement was reached. In February 2002, Namba again approached Spranza with the same question. A date was tentatively set and in May 2002, Spranza traveled to southern California and made an agreement with Namba to pursue a development. Spranza and Namba agreed: Spranza would develop hardware for a safe guide, at the expense of SDI. Namba agreed that he would go partners with Spranza in co-filing a joint patent, referred as a "child" to the original filing. Spranza agreed that SDI would file and pay for the child patent. SDI would manufacture any resulting products and sell them directly to end-users. SDI would pay a royalty to Namba for exclusive rights to the concept.

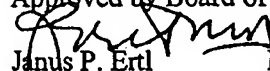
Spranza and other SDI personnel developed hardware and showed such hardware to Namba on several occasions, each time requesting that Namba read and sign Spranza's lab notebook, with date of reading. Namba liked the hardware and said so. The hardware was unique and patentable in Spranza's mind.

Recently, Namba was notified that Claims on his Patent Application were allowable. It is time to pursue further patent(s). To do this, Namba will assign his patent to a Partnership, "Namba and Spranza". Spranza will write patents and file them in the name of the partnership. The Partnership will grant an exclusive License to SDI for the manufacture and sales of the product of the patent. Namba will be paid a royalty of 9% for his participation. Spranza will not receive royalties.

Spranza is presenting this to the Board of Directors for approval. It is essentially the same agreement pursued with others. People file patents. Companies license such patents.

Approved by Board of Directors, SDI


Joseph Spranza, abstain


Janus P. Ertl Date 6-18-03

Dated June 16, 2003

William C. Allen Date

Keith A. Harris Date

cc: James D. Lia Esq.

Daniel R. Benson Date

SPECIAL DEVICES INCORPORATED

14450 ... and Ready Way, Grass Valley, CA 95945

Ph: 530-271-1111 Fax: 530-271-0563 e-mail: specialdevices@comcast.net

June 16, 2003

To The Board of Directors
Special Devices, Inc.

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Approved by Board of Directors, SDI

Joseph Spranza, abstain

Dated

7/11/03

Janus P. Ertl

Date

William C. Allen

Date

7/11/03

Keith A. Harris

Date

cc: James D. Lia Esq.

Daniel R. Benson

Date

SPECIAL DEVICES INCORPORATED

12493 Old Rough and Ready Hwy. Grass Valley, CA 95945

Tel. 530/273-6763 Fax 530/477-0583 e-mail = specialdevicesmed.com

EXHIBIT L

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number.

POWER OF ATTORNEY OR REVOCATION OF POWER OF ATTORNEY WITH A NEW POWER OF ATTORNEY AND CHANGE OF CORRESPONDENCE ADDRESS	Application Number	10/697,444
	Filing Date	October 29, 2003
	First Named Inventor	Joseph J. Spranza
	Title	SAFETY GUIDE FOR SURGICAL PLACEMENT OF SHARP INSTRUMENTS
	Art Unit	3763
	Examiner Name	Christopher Koharski
	Attorney Docket Number	SDEV-1-1003

I hereby revoke all previous powers of attorney given in the above-identified application.

☐ A Power of Attorney is submitted herewith.

OR

☒ I hereby appoint Practitioner(s) associated with the following Customer Number as my/our attorney(s) or agent(s) to prosecute the application identified above, and to transact all business in the United States Patent and Trademark Office connected therewith:

25315

OR

☐ I hereby appoint Practitioner(s) named below as my/our attorney(s) or agent(s) to prosecute the application identified above, and to transact all business in the United States Patent and Trademark Office connected therewith:

Practitioner(s) Name	Registration Number

Please recognize or change the correspondence address for the above-identified application to:

☒ The address associated with the above-mentioned Customer Number.

OR

☐ The address associated with Customer Number.

OR

☐ Firm or Individual Name

Address

City

State

Zip

Country

Telephone

Email

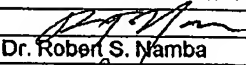
I am the:

☒ Applicant/Inventor.

OR

☐ Assignee of record of the entire interest. See 37 CFR 3.71.
Statement under 37 CFR 3.73(b) (Form PTO/SB/96) submitted herewith or filed on _____

SIGNATURE of Applicant or Assignee of Record

Signature		Date	2/2/09
Name	Dr. Robert S. Namba	Telephone	949-922-0003
Title and Company	MD		

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below.

☒ *Total of _____ forms are submitted.

This collection of information is required by 37 CFR 1.31, 1.32 and 1.33. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to take 3 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.